## Summary

- On May 26th, the group formalized a new long term syndicated loan within the refinancing agreement of the total debt. The signing of this deal gives the company more stability for the coming years:
  - Net debt stood at 292.5 M€ at the end of June closing in more than 50% down compared to year end 2008
  - Inventory level stood at 319.8 M€, down 50% compared to year end 2008, after the sale of assets to the financial institutions and ordinary sales
- First semester closed up with a negative result of 13.7 M€, improving by 12.0 M€ in comparison with the same period of previous year.
- The company has carried out a new valuation of the current portfolio which has led the company to record a new provision on inventory of 5.3 M€.
- The market scenario is still complicated with few transactions and sometimes with difficult valuation references.
- Nevertheless, in line with current strategy, Renta Corporación has managed to close 5 new sales of investement rights, completing the acquisition, transformation and sale process, in an average period of 4 months from the option date.

| Consolidated profit and loss summary *(€M)* | H109 | H108 | *var.* |
|---|---|---|---|
| Sales | 321.1 | 176.1 | *82%* |
| Other Revenues | 8.6 | 10.1 | *-15%* |
| Total revenues | 329.7 | 186.2 | *77%* |
| Gross sales margin (1) | -2.0 | -4.6 | *56%* |
| EBITDA | -10.0 | -25.2 | *60%* |
| EBIT | -9.7 | -26.3 | *63%* |
| Net profit | -13.7 | -25.7 | *47%* |

*It must have been highlighted that gross margin is includig a new provision on inventory of 5,3 M€*

| Consolidated balance sheet summary *(€M)* | H109 | H108 | *dif.* |
|---|---|---|---|
| Total assets | 461.6 | 984.9 | *-523.2* |
| Current assets | 388.5 | 895.3 | *-506.8* |
| Equity | 79.8 | 182.6 | *-102.9* |
| Financing debt | 321.8 | 679.6 | *-357.8* |

*The group formalized a new long term syndicated loan on May 26th, which has made possible to reduce the debt by half*

| Datos Operativos Consolidados *(M €)* | H109 | H108 | *dif.* |
|---|---|---|---|
| Total investment | 10.3 | 107.3 | *-97.0* |
| Inventory + Investment rights (Pipeline) | 374.4 | 1,123.0 | *-748.6* |
| Inventory | 319.8 | 777.6 | *-457.8* |
| Investment rights | 54.6 | 345.4 | *-290.8* |
| Net debt | 292.5 | 661.6 | *-369.1* |

*First half of the year is characterized by the inventory decrease due to the sale of assets to the financial entities and the selective policy applied on investment, which is focused on transformation*

(1) Gross margin is equal to Sales less Cost of sales

## Market situation

- The market scenario is still complicated due to the lack of liquidity as well as the restrictions on the credit facilities. The national and international real estate market is directly affected by the deteriorated financial sector and the difficult economic environment which shows a slow economic recovery and major job losses. All these effects are causing almost all investment decisions to be postponed.
- Both activity and prices are still contracting and it is difficult to estimate the length and magnitude of such effects.
- The main markets where Renta Corporación operates are affected in the same manner by this current market situation. Madrid, Barcelona, London and NYCare markets still very affected by the crisis and it is forecasted a slow recovery. Paris has been affected to a lesser degree and some notable investments transactions have been done in that market.
- Some good acquisition opportunities at attractive prices in certain products are glimpsed. There is a real demand for products adapted to the current market conditions.
- Regarding the business units, market trends remain steady:
    - Residential market appeals to small and property investors looking for residential assets at good prices in order to rent them. The residential market shows a more positive trend than the other business units.
    - Investors in the office market are looking for buildings with high yields in the prime zones of cities in order to guarantee rents in the medium and long term.
    - The land market shows the most complicated situation. There is practically no demand and recovery is forecasted to be much slower than in the rest of the business areas due to an excess of land supply on the market.

## Consolidated profit and loss account

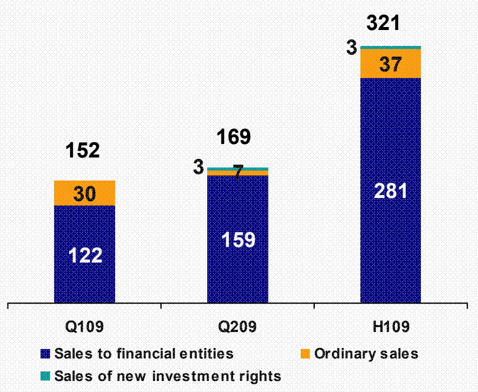
| (M €) | H109 | % Sales | H108 | % Sales | % var |
|---|---|---|---|---|---|
| Sales | 321.1 | *100%* | 176.1 | *100%* | **82%** |
| Other revenues | 8.6 | *3%* | 10.1 | *6%* | -15% |
| **TOTAL INCOME** | **329.7** | ***103%*** | **186.2** | ***106%*** | **77%** |
| Cost of sales | -323.1 | *101%* | -180.7 | *103%* | 79% |
| **GROSS MARGIN (1)** | **-2.0** | ***-1%*** | **-4.6** | ***-3%*** | **56%** |
| Sales, admin and payroll expenses | -16.6 | *5%* | -30.7 | *17%* | -46% |
| **EBITDA** | **-10.0** | ***-3%*** | **-25.2** | ***-14%*** | **60%** |
| Depreciation, Provisions & Other | 0.3 | *0%* | -1.1 | *1%* | n/a |
| **EBIT** | **-9.7** | ***-3%*** | **-26.3** | ***-15%*** | **63%** |
| Net financial income | -9.5 | *3%* | -13.0 | *7%* | -27% |
| Equity accounting and others | -0.1 | *0%* | 3.1 | *2%* | n/a |
| **PROFIT BEFORE TAX** | **-19.3** | ***-6%*** | **-36.2** | ***-21%*** | **47%** |
| Taxes | 5.6 | *-2%* | 10.5 | *-6%* | -47% |
| **NET PROFIT** | **-13.7** | ***-4%*** | **-25.7** | ***-15%*** | **47%** |

(1) Gross margin is equal to Sales less Cost of sales, excluding Other Income

## Notes on the results

### 1- REVENUES

- The accumulated **revenues** at June 2009 are 329.7 M€, 77% up compared to the first semester 2008. Sales rose to 321.1 M€, increasing 145.0 M€ vs H108, while other revenues, mainly rents, stood at 8.6 M€, a reduction of 1.5 M€ compared to the same period of the previous year.
- Regarding the **sales**:
  - Sales that were part of the refinancing deal totalled 281.1 M€. This has been spread across both the domestic (43%) and international (57%) market. By business unit, the sale of buildings stood at 182.8 M€ and land sales totalled 98.3 M€.
  - Ordinary sales stood at 36.7 M€. Virtually all sales came from the domestic market, of which 71% was land sales and the remaining was unit by unit building sales.
  - In this period and in line with the group strategy, the sales of new portfolio investment rights had registered 3.3 M€, which are equivalent to a future investment acquisition amounting to 8.8 M€.




*It must have been highlighted that the total sales into the refinancing deal in 2009 amount to 338 M€, of which:*

*•281 M€ are registered in H109 , including 21 M€ of write off debt*

*•The sale of the headquarter building is not registered in the sales line of the P&L because it is considered as a fixed asset. It has been registered as 63 M€ write off in the balance sheet*

*•2 assets in London amounting 15 M€ are pending to be registered,as they are strutured as an unsecured operation*

  - Other **income** mainly coming **from rents** stood at 8.6 M€, down 1.5 M€ compared to the same period of previous year (which totalled 10.1 M€). The sale of some assets that have generated substantial rents in the first semester, will result in future rental income becoming much less important.

## 2- GROSS MARGIN

- Gross margin on sales stood at -2.0 M€. To interpret this margin properly, we must consider the following:
    - Gross margin coming from" the sale of assets to the financial institutions" of -2.0 M€.
    - "Ordinary" gross margin of +5.3 M€, mainly coming from the sale of a land unit and the sale of the new portfolio investment rights.
    - "Extraordinary" gross margin of -5.3 M€ due to provisions on inventory in the current portfolio. The group has had its assets valued by independent experts, and this has led the company to account an additional provision on inventory of 5.3 M€.

## 3- OVERHEAD EXPENSES

- The group's combined variable, general and personnel expenses came to 16.6 M€ vs 30.7 M€ in H108. Excluding extraordinary expenses, the overhead costs have been reduced by 11.0 M€ (47%) as a result of the policies implemented in 2008 and other new measures promoted since the beginning of this year.

| *(M €)* | H109 | *% Sales* | H108 | *% Sales* | dif. | var. |
|---|---|---|---|---|---|---|
| **Sales** | **321.1** | | **176.1** | | **145.0** | |
| **Sales, G&A, personnel expenses** | **16.6** | ***5.2%*** | **30.7** | ***17.4%*** | **-14.1** | **-12.3 pp** |
| **Excluding extraordinary expenses** | 12.4 | *3.9%* | 23.5 | *13.3%* | -11.0 | -9.5 pp |
| Variable selling expenses | 8.3 | *2.6%* | 11.9 | *6.8%* | -3.6 | -4.2 pp |
| G&A | 3.0 | *0.9%* | 6.0 | *3.4%* | -3.0 | -2.5 pp |
| Personnel | 5.2 | *1.6%* | 12.8 | *7.3%* | -7.5 | -5.6 pp |

- **Variable selling** expenses stood at 8.3 M€, down 3.6 M€ compared to H108. A significant part of this item corresponds to investment rights that the company decided not to execute. As it was mentioned in the previous year, the company has followed a more selective and conservative strategy for executing investment rights. In 2009 the company has followed the same strategy and as a result it has lost investment rights and associated expenses amounting to 4.0 M€. The rest of variable expenses stood at 4.3 M€ down 3.9 M€ vs H108, reducing 3.3 p.p. on sales.

| | H109 | *% Sales* | H108 | *% Sales* | dif. | var. |
|---|---|---|---|---|---|---|
| Sales | 321.1 | | 176.1 | | 145.0 | |
| - Operating variable expenses | 4.3 | *1.3%* | 8.2 | *4.7%* | -3.9 | -3.3 pp |
| - Not executed invest. rights & other related costs | 4.0 | *1.3%* | 3.7 | *2.1%* | 0.3 | -0.8 pp |
| Variable selling expenses | 8.3 | *2.6%* | 11.9 | *6.8%* | -3.6 | -4.2 pp |

- **G&A expenses** in the period are 3.0 M€, down 50% vs H108, a clear reflection of all the cost reduction policies carried out by the company.

| | H109 | *% Sales* | H108 | *% Sales* | dif. | var. |
|---|---|---|---|---|---|---|
| Sales | 321.1 | | 176.1 | | 145.0 | |
| G&A expenses | 3.0 | *0.9%* | 6.0 | *3.4%* | -3.0 | -2.5 pp |

- **Personnel expenses** are 5.2 M€. Excluding extraordinary expenses carried out during H108 to reduce the group's structure, personnel expenses are down by 4.1 M€. In addition to the staff reduction, which went from an average of 139 in H108 to 87 today, in 2009 the company has carried out other policies such as a reduction on the senior management team salaries and a staff salary freeze.

| | H109 | *% Vtas* | H108 | *% Vtas* | dif. | var. |
|---|---|---|---|---|---|---|
| - Ordinary personnel expenses | 5.1 | *1.6%* | 9.3 | *5.3%* | -4.1 | -3.7 pp |
| - Organisational restructuring costs | 0.1 | *0.0%* | 3.5 | *2.0%* | -3.4 | -2.0 pp |
| Personnel expenses | 5.2 | *1.6%* | 12.8 | *7.3%* | -7.5 | -5.6 pp |

## 4- FINANCIAL RESULT

- Net financial result stood at -9.5 M€, versus -13.0 M€ in H108. To correctly interpret this result we must highlight the following:
- Financial expenses in H109 are -6.5 M€, compare to -11.2 M€ in H108. This improvement is due mainly to next effects:
  - Net debt average in H109 lower than H108 (472.5 M€ vs 668 M€, respectively)
  - "All in" interest rate average also lower vs 2008 (3.8% vs 5.35%)

  These positive effects were offset by:
  - Lower interest capitalisation, 2.1 M€ in H109 vs 7.9 M€ in H108
- The forex rate has given a positive financial result amounting to 1.4 M€, because the pound has been appreciated and the dollar has remain stable during this period.
- In addition, the cancelation of a hedging on interest rate coming from the previous syndicate loan, has led an expense of 3.7 M€.

| *(M €)* | **H109** | **H108** | **dif.** |
|---|---|---|---|
| Ordinary interest expenses | -8.8 | -19.2 | 10.4 |
| Ordinary interest incomes | 0.2 | 0.2 | 0.0 |
| Capitalised interests | 2.1 | 7.9 | -5.8 |
| Ordinary net financial result | -6.5 | -11.2 | 4.6 |
| Forex exchange hedging results | 1.4 | -0.9 | 2.2 |
| Interest rate hedging instruments | -3.7 | 0.5 | -4.2 |
| Commissions | -0.2 | -0.8 | 0.6 |
| Other interests | -0.4 | -0.7 | 0.2 |
| **Net financial result** | **-9.5** | **-13.0** | **3.5** |

## 5- NET PROFIT

- Net result for the H109 is negative of 13.7 M€, which is a 12.0 M€ improvement on the H108 result, which was -25.7 M€.
- To interpret this result correctly, it must be pointed out the following:
  - Provision on inventory for a gross amount of 5.3 M€ due to the new valuation of the portfolio
  - Non executed investment rights and other related expenses of 4.0 M€
  - Inclusion of practically all the sales within the new refinancing agreement and reduction of the debt.

# CONSOLIDATED BALANCE SHEET

| Assets *(€M)* | Jun-09 | dec-08 |
|---|---|---|
| **Long term assets** | **73.2** | **136.6** |
| Inventory | 319.8 | 642.7 |
| Debtors | 39.3 | 41.3 |
| Cash | 29.0 | 2.3 |
| Other current assets | 0.4 | 25.3 |
| **Current assets** | **388.5** | **711.6** |
| **Total Assets** | **461.6** | **848.2** |

| Equity and Liabilities *(€M )* | Jun-09 | dec-08 |
|---|---|---|
| Capital & Reserves | 93.5 | 202.3 |
| Period net profit | -13.7 | -111.5 |
| **Total Equity** | **79.8** | **90.8** |
| **Long term debt** | **266.2** | **0.0** |
| **Long term creditors** | **8.8** | **14.9** |
| **Short term debt** | **59.5** | **662.6** (*) |
| **Short term creditors** | **47.4** | **79.9** |
| **Equity and liabilities** | **461.6** | **848.2** |

(*) Long term debt was classified at the end of 2008 as short term debt due to the refinancing process. Once it has been sign the new syndicate loan, debt has been classified again as long term debt.

# Notes on the balance sheet

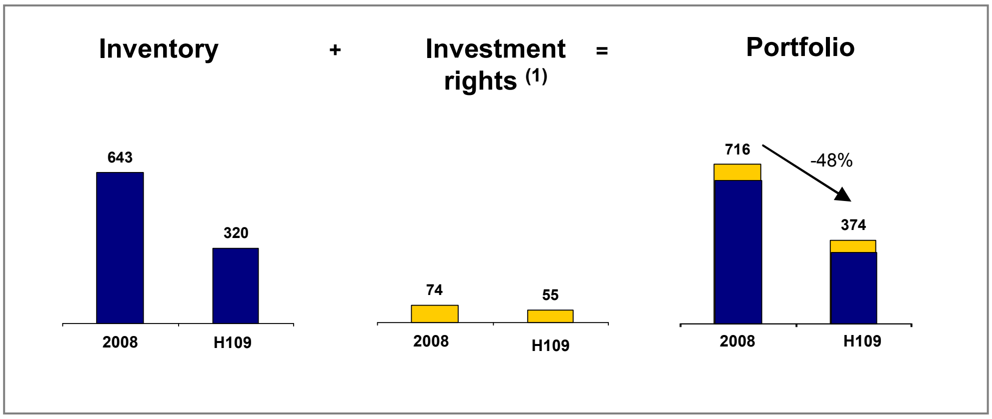
## *Assets*

### INVESTMENT AND PORTFOLIO

- Investment in H109 stood at 10.3 M€, much lower than the same period of previous year. This figure includes interest capitalisation of 2.1 M€ and the investment in the new portfolio amounting to 1.6 M€. The investment has focussed on the refurbishment of the old portfolio in order to increase the value and liquidity of these assets.
- The portfolio (inventory and investment rights) came to 374.4 M€, a decrease of 341.8 M€ vs year end 2008.
  - Inventory is valued at 319.8 M€, decreasing by half compared to year end 2008. This reduction comes from the sale of assets to the financial institutions as part of the refinancing deal, as well as the ordinary sales completed during the semester.
  - Investment rights stand at 54.6 M€, a drop of 19 M€ vs year end 2008. This reduction is virtually explained by the non executed options amounting to 4.0M, equivalent to 25.3 M€ in investment rights, and partially offset by the new portfolio premiums, equivalent to 9.8 M€ investment rights.

| | M € | % |
|---|---|---|
| **"Old portfolio"** | **44.8** | **82%** |
| Exp. 2009 | 9.9 | 18% |
| Exp. > 2009 | 34.9 | 64% |
| **"New portfolio"** | **9.8** | **18%** |
| **Investment rights** | **54.6** | **100%** |

- From the old portfolio investment rights valued at 44.8 M€, 78% will expire after 2009. Once the expiration date arrives, the company will reconsider the continuity of the project depending on how well the asset adapts to the new market conditions as well as the company strategy.




(1) Investment rights include option premiums detailed under inventory

- Regarding the portfolio make-up, 65% of inventory was concentrated in buildings. By geography, 84% of inventory is located in the domestic market.

| *(M €)* | Jun-09 | dec-08 | dif. |
|---|---|---|---|
| **Land and Buildings** | **316.5** | **633.8** | **-317.3** |
| By geography | | | |
| National | 266.1 | 425.1 | -158.9 |
| International | 50.4 | 208.7 | -158.4 |
| By business unit | | | |
| Residential and offices | 207.5(*) | 338.3 | -130.8 |
| Land | 109.0 | 295.5 | -186.5 |
| **Purchase option premiums** | 3.0 | 6.3 | -3.4 |
| **Work in progress and other** | 0.3 | 2.5 | -2.2 |
| **TOTAL Inventory** | **319.8** | **642.7** | **-322.9** |
| **Investment rights** | **54.6** | **73.6** | **-19.0** |
| **Total Inventory + Invest. rights** | **374.4** | **716.2** | **-341.8** |

(*) It includes 2 assets amounting to 63,7 M€, that could be classified as land depending on the strategy finally carried out by the company

## DEBTORS

- The breakdown of debtors is as follows:

| *(M €)* | Jun-09 | dec 08 | dif. |
|---|---|---|---|
| Trade debtors & receivables | 33.4 | 31.3 | 2.1 |
| Accrued Taxes | 0.4 | 4.9 | -4.5 |
| Other debtors | 5.5 | 5.1 | 0.4 |
| **Debtors** | **39.3** | **41.3** | **-2.0** |

- At the end of H109 the balance of debtors is 39.3 M€, 2.0M€ lower than year end 2008, mainly due to the accrued taxes decrease (-4.5 M€).

- There is a 30.7M€ debt, in trade debtors & receivables, which is guaranteed by an asset mortgage. At the date of publication of this document this debt has been executed, with the possibility of judicial reclaim of the pending amount, if necessary.

## Equity

- Equity stands at 79.8 M€, decreasing by 11.0 M€ in comparison to 90.8 M€ at year end 2008. This decrease is due to the losses registered in the first semester of the year and has been partially offset by the increase of equity value in foreign exchange.

| *(M €)* | Jun-09 | dec 08 | dif. |
|---|---|---|---|
| Capital & Reserves | 93.5 | 202.3 | -108.8 |
| Period net profit | -13.7 | -111.5 | 97.8 |
| **Equity** | **79.8** | **90.8** | **-11.0** |

## Liabilities

### CREDITORS

- Short term creditors at H109 stood at 47.4 M€, 32.6 M€ down vs year end 2008, and are made up as follows:

| *(M €)* | Jun-09 | dec 08 | dif. |
|---|---|---|---|
| Accrued Taxes | 25.3 | 1.0 | 24.3 |
| Suppliers | 19.1 | 50.2 | -31.0 |
| Deposits on pre-sales | 1.5 | 18.1 | -16.6 |
| Other Creditors | 1.4 | 10.7 | -9.3 |
| **Short term creditors** | **47.4** | **79.9** | **-32.6** |

- The accrued taxes increases 24.3 M€ vs year end 2008. This increase is due to deferment on VAT, given by the Treasury Department, amounting to 24 M€ and for a term as far as 4 years.
- Suppliers stood at 19.1 M€, 31.0 M€ lower than year end 2008, mainly due to the decrease in the deferred payments on property acquisitions.
- Deposits on pre-sales stood at 1.5 M€ at June 2009, down 16.6 M€ vs year end 2008, mainly due to the sale of two land assets in the first quarter.

### FINANCIAL DEBT

- Net debt at H109 stood at 292.5 M€ after the closing of the refinancing process, down 349.1 M€ compare to year end 2008. Leverage ratio was 79% down in 9 p.p. vs december 2008. The table below shows changes over the period, by headings:

| *(M €)* | Jun-09 | dec-08 | dif. |
|---|---|---|---|
| Syndicated loan | 246.7 | 500.0 | -253.3 |
| Operations with mortgage guarantee | 73.3 | 71.7 | 1.7 |
| Mortgage on Registered Office | | 53.2 | -53.2 |
| Credit facilities and other financial debt | 1.8 | 44.1 | -42.3 |
| Cash and short term deposits | -29.3 | -27.3 | -2.0 |
| **Total Net Debt** | **292.5** | **641.6** | **-349.1** |
| Net debt / (Net debt + Equity) | 79% | 88% | -9 pp |

- The average net debt balance at H109 is 472.5 M€, compared to 661.1 M€ in 2008.
- On May 26th it was completed the signing of the sale of assets under the new syndicated loan agreement, with a consequent debt reduction.
- The new refinancing agreement terms are as follows:
  - New syndicated loan amounting to 253.9 M€, with a total of 17 financial entities involved in the process
  - The terms of the deal will apply over the next 7 years :
    - 2009-2010 as grace period
    - 2011-2015 increasing annual repayment
  - Credit line of 18.5 M€ granted by a financing line for 3 years
- In addition, at June end the balance is 73.3 M€ on mortgages.

## Outlook for the future

- The signing of the new syndicated loan has left the company in a totally different position from year end 2008. The refinancing of the debt and also the sale of assets involved in the refinancing process, has given the company the stability and the balance needed to face the difficult current situation.
- The future is still unclear with respect to the recovering on demand and also the re-establishment of credit facilities to real estate potential buyers.
- Such a scenario makes it difficult to forecast projections.
- We must emphasize that today the company is starting a new phase, better adapted to the current market situation.
  - Net debt stood at 292.5 M€ (vs 641.6 M€ at year end 2008)
  - Inventory level of 320 M€ ( down 50% compare to december 2008)
  - Adjusted investment rights portfolio
  - Headcount according to the new company situation. Reduction of structural costs during 2009 amounting to 5 M€ annualised.
  - General expenses reduction policies carried out during 2008 and new other new measures implemented since the beginning of 2009, will led to a decrease of 3 M€ annualised.
- This new situation will allow the company to concentrate on acquisition and selling of the current portfolio creating a good margin in every operation, mainly by concentrating resources and efforts on the application of our business model.

## Other information

### 1- MAIN MATERIAL EVENTS AND OTHER COMMUNICATIONS

- Of all material events reported to the Spanish Securities and Investment Board since January 2009 until now, the following are worth highlighting:
  - 27/02/2009 Refinancing of the debt: The company has reached an agreement with all the financial entities involved in the syndicated loan signed in February 15, 2007.
  - 27/02/2009 The company posts information about the H208 results.
  - 01/04/2009 The company announced agreements of the Board of Directors on 31 March 2009, such as, the resignation of Mr. Carlos Solchaga Catalán as a member of the Board. .
  - 01/04/2009 The company posts the drawing up of the annual accounts for 2008.
  - 30/04/2009 The company posts information about the Q109.
  - 30/04/2009 The company posts agreements of the Board of Directors meeting of 29 April 2009 such as the date of the Annual General Meeting.
  - 07/05/2009 The company posts Report on Article 116 (bis) of the Securities Market Act.
  - 27/05/2009 The company posts the signing of the new syndicated loan agreement.
  - 10/06/2009 Approval of proposal of resolutions of the Ordinary General Meeting of Shareholders on 10 June 2009.

### 2- CHANGES IN THE BOARD OF DIRECTORS

- March 2009:
  - The Board of Directors accepted the resignation of D. Carlos Solchaga Catalán as a member of the Board.
- April 2009:
  - Ratification of Mr. Ramchand Wadhumal Bhavnani as an External independent director
- June 2009:
  - Appointment by means of co-opting of Mr. Blas Herrero, Mr. David Vila Balta and Mr. Juan Velayos Lluis as member of the Company Board of Directors.
  - Re-election by the Annual General Meeting of shareholders of Mr. David Vila Balta, Mr. Carlos Tusquets Trias de Bes and Mr. César Gibernau Ausió and subsequent ratification or amendment of his post.

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